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Senate proposal would expose CIA secret accounts

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The CIA may be forced by Congress to expose its financing of covert action under a Senate proposal that for the first time would give the General Accounting Office authority to review secret accounts.

The GAO proposal is only one of several measures under consideration in Congress that have raised concerns among some intelligence officials about a possible congressional backlash against intelligence activities growing out of the Iran-Contra investigations.

The proposal is expected to be introduced soon by Sen. John Glenn, Ohio Democrat and chairman of the Governmental Affairs Committee, according to a Glenn spokesman.

A George Carver, a former CIA official, called the proposal "disastrous" and said it would "tear up" a 40-year agreement between the CIA and Congress that prevents the GAO from auditing secret intelligence operations.

"It would pose unnecessary risks for covert operations," Mr. Carver said in an interview.

One White House official said agency operatives fear the new legislative proposals could signal the beginning of greater restrictions on covert action, such as those of the late 1970s.

President Reagan, in a speech to CIA employees Tuesday, referred to that period as a time when "America's intelligence capabilities [were] reduced and demoralized."

The House Intelligence Committee is exploring legislation that would require the CIA to provide advance notification to Congress of all covert operations.

Under current law, the administration can withhold congressional notification of covert action on limited national security grounds.

The presidential intelligence "finding" that authorized the Iran arms sales in January 1986 was the first time a president required the CIA not to inform Congress about a covert operation. The notification was withheld for a period of some 18 months.

The House Ways and Means Committee is planning tax reform legislation that will give the Internal Revenue Service some authority to investigate CIA financial arrangements with private contractors, according to intelligence sources.

"That becomes a potential security risk when you consider that an agency that operates in secret may be forced to reveal its contracts with outsiders to IRS investigators," one source said.

Mr. Carver said he believes the GAO access bill is unnecessary because executive orders since 1947, when the CIA was formed, have provided adequate provisions for monitoring funds without vouchers that are used in covert intelligence programs.

Senate Intelligence Committee Chairman David L. Boren, Oklahoma Democrat, said recently he opposes the GAO access plan since it could hamper CIA covert actions.

The Intelligence Committee has taken steps to tighten security on the committee in an effort to allay CIA concerns about leaks of classified information, Mr. Boren said in an interview. The panel also has begun periodic policy reviews of all covert action programs undertaken by the CIA, he said.

"I think that will head off any radical cures that are worse than the disease," Mr. Boren said.

Last month, the committee announced that it has created a staff unit to conduct spot checks of agency covert action programs. The action was supported by Deputy CIA Director Robert Gates and National Security Adviser Frank Carlucci.

"Such a unit would provide a credible independent arm for committee review of covert action programs, and would have the added advantage of working at the exclusive direction of the committee, which would ensure the appropriate security safeguards for these sensitive activities," Mr. Gates wrote.

A spokesman for Sen. Glenn, however, said the intelligence panels lack the GAO's resources for auditing. The spokesman also said the GAO has auditors with security clearances who review Defense Department and National Security Agency programs.

Joan M. McCabe, GAO associate director, said that since January the GAO has received about a dozen requests from members of Congress to audit specific CIA covert action accounts.

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The requests concerned covert funds for Nicaraguan and Afghan rebels and other "miscellaneous" secret program accounts, she said.

"In terms of covert programs, the agency has taken the position that oversight is exercised through the Senate and House intelligence committees," Ms. McCabe said. "We have had great difficulty in getting access, and when we do get a response, we tell the oversight committees and then arrangements [for an audit] are made through the committee."

Ms. McCabe said the planned Glenn legislation is the result of testimony in February by GAO Comptroller General Charles A. Bowsher. Mr. Bowsher, in testimony before Mr. Glenn's committee, stated that if Congress wanted the GAO to audit covert action programs, "clarifying legislation" was needed, she said.

"Technically, we believe we have authority, but the practical aspect of gaining access to covert action accounts is a different thing," Ms. McCabe said.

The Glenn spokesman said the proposed bill would remove an exemption granted to the CIA under a 1980 law that expanded the GAO's authority to investigate federal agencies.

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